

March 3, 2003

MEMORANDUM

SUBJECT: Guidance for Developing Regional Plans

FROM: Linda Combs /s/ M.Ryan for L. Combs
Chief Financial Officer

TO: Regional Administrators
Deputy Regional Administrators

I am grateful for the vital leadership role that senior Regional managers have played in identifying and guiding the implementation of needed improvements in linking budget and performance. Regional managers were the driving force behind the Administrator's decision to move to the five outcome-oriented strategic goals in the architecture for our new Strategic Plan. Senior Regional managers have also been effective in identifying the need for better alignment between the Goals and Objectives in the national Strategic Plan and the priorities, plans, and day-to-day operations of the Regional Offices and our partner agencies.

To help achieve this alignment, the Managing for Improved Results Steering Group made the recommendation, endorsed by the Regional Administrators and approved by the Administrator, Deputy Administrator, and myself, that each Region develop a plan to articulate its strategy for contributing to each relevant Objective in the national Strategic Plan. The purpose of this memorandum and attachments is to provide guidance for the development of these Regional Plans.

Purpose of the Regional Plans

Regional Plans can eventually serve several purposes, such as a framework for internal Regional resource allocation and accountability or as a document to communicate to the public the strategic direction of the Regional Office and its partners. However, in this first year of Regional plans, OCFO, after consulting with Regional planners and DRAs, is proposing that we pursue a core purpose with the Regional plans and use that as the foundation for later enhancements and broader purposes where desired. **Thus, the primary purpose for Regional Plans in the near term is to provide a common results-based framework to support the priorities of Regions and their partners in the FY05 annual planning and budgeting process and in preparation for the FY04 operating year.**

The attached format for Regional Plans, developed by OCFO in consultation with

Regional Planning Contacts, contains several sections. In the near term, OCFO is primarily concerned with Section II, in which Regions communicate their strategies for using both national tools and Region-specific approaches to achieve the Objectives in the 2003 Agency Strategic Plan. In some cases, as when two or more major Agency programs are integrated under a strategic Objective (e.g., criteria air pollutants and air toxics), Regional strategies will need to be developed at the Sub-objective level in order to have the needed degree of specificity.

As a result of your articulation of the key strategies aligned to the Objectives or Sub-objectives, the Agency will be in a better position to:

- identify where certain performance areas need greater emphasis in the FY05 budget, either through increased Regional funding in an NPM's base budget request or potentially as an Agency funding initiative for Regional Offices,
- provide EPA senior management an improved perspective in assessing performance and funding priorities across goals and objectives,
- assess the soundness of the national strategies articulated in the draft Strategic Plan, and
- offer a new avenue for Regions to have their and our partners' priorities reflected in the performance targets set in Annual Performance Goals and Performance Measures (APGs/PMs) submitted to OMB in the fall and to Congress in February.

One of my goals is to use the Regional plans to achieve integration and efficiencies with other planning and results processes in addition to budget development. For example, the articulation of Regional strategies in the Plans will directly serve to frame discussions and issues as we implement the Regional Performance Management Tool. Additionally, OCFO will be working with the Program and Regional Offices in the coming weeks to evaluate options for using the Plans as a mechanism to eliminate or dramatically streamline the Headquarters/Regional Memorandum of Agreement process for FY05.

Relationship to Joint Planning and Priority-setting with States and Tribes

Given the importance the Agency places on joint planning and priority setting with State and Tribal partners, the Regional strategies articulated in Section II of Regional Plans should, to the best extent possible, reflect input from partners. Another section of the Plan format suggested by the Regional Planning Contacts provides an opportunity for Regions to describe key issues in their working partnerships with States and Tribes and their goals for making progress. However, because of leadership transitions and budget uncertainties in many States, each Region will have to determine the best timing and mechanism for consulting with partners on the development of its Plan.

Schedule for Development

In order for the new Regional Plans to influence the FY 2005 planning and budgeting process, OCFO and NPMs will need information on Regional strategies and activities prior to the Planning Meeting to be held this spring. Therefore Section II of the Regional Plan, pertaining to Regional Strategies for Achieving National Goals and Objectives, must be

completed and submitted to OCFO in draft no later than April 4, 2003. Final versions of Section II are needed by the end of the fiscal year and complete Regional Plans are due by the end of the calendar year. The timeline included as Attachment B provides these deadlines in table form. OCFO will work with the NPMs and Regional offices to identify the additional information needed to ensure that the Regions can more effectively participate in the setting of targets for FY05 and to reform the MOA process for FY05.

Let me express my appreciation and support to all of you for your continuing efforts to help improve and integrate the Agency's strategic planning, budgeting and performance processes through the development of these new Regional Plans.

Attachments

cc: Linda Fisher
Tom Gibson
Claudia McMurray
Susan Mulvaney
Ray Spears
Assistant Administrators
Deputy Assistant Administrators
Associate Administrators
Assistant Regional Administrators
Senior Budget Officers
Planning Contacts

Format for Regional Plans

I. Regional Overview

Purpose: In this section of the Plan, each region should provide a narrative overview, and data where available, of the unique drivers and trends (e.g., environmental, geographic, demographic, political, economic, etc.) that affect the environmental work in the Region and how they have influenced the Region's strategies.

II. Regional Strategies for Achieving National Goals and Objectives

Purpose: This section of the Plan, would describe how regional work supports the national goals and objectives contained in the 2003 national Strategic Plan. Regional plans must articulate the strategies that a region is using to make progress toward achieving **each** relevant objective or sub-objective*. The plans should discuss the mix of NPM and Region-specific tools the Region is applying to meet each relevant objective or sub-objective.

This section should address the following questions:

A. What is the current state of human health or environmental protection for this objective in your Region and are there any relevant trends over time (i.e., what are indicators or data specific to this objective that characterize current status and trends as context for your strategy)?

B. What are the major problems that need to be addressed in order to make progress toward the strategic objective in your Region?

C. What tools or program components, (e.g., permits, enforcement, State capacity building, compliance assistance, direct program delivery, industry partnerships, etc.) focused on what problems, make up the Region's strategy for making progress toward the objective?

D. What are the primary measures (national and Region-specific) that the Region will use to track progress in implementing its strategy?

*Note: In some cases, as when two or more major Agency programs are integrated under a strategic objective (e.g., criteria air pollutants and air toxics), Regional strategies will need to be developed at the sub-objective level in order to have the needed degree of specificity.

III. Cross-Cutting Strategies

Purpose: This section is where the Region can describe its approach to the Agency's cross-cutting strategies (Homeland Security, Human Capital, Information, Innovation, Partnerships, Science) or others of importance to the Region.

IV. Regional Accountability

Purpose: In this section, each Region should describe its accountability and performance measurement tools, along with any program evaluations that the region is using to assess its progress. Each region should describe how these tools are or will be used, including how the results will be used in management decision-making.

V. Partnerships

Purpose: Each Region should describe the status of the relationship between the Region and its state and tribal partners. For each major partner, the Region should identify the two or three key issues of greatest importance and the Region's strategy for making progress on those issues over the next one to three years.

Attachment B

TIMELINE FOR DEVELOPING REGIONAL PLANS

This timeline identifies the key milestones for developing and finalizing Regional Plans.

| TASK | |
|---|-----------------------|
| Task 1: -- OCFO transmits guidance to regions for developing Regional Plans. | March 2003 |
| Task 2: -- regions transmit draft of Section II of the Regional Plans to OCFO | April 4 |
| Task 3: -- Regions will provide information for target setting for FY 05 APGs and PMs – specific product TBD in consultation with NPMs and Regions | Approximately July 31 |
| Task 4: -- regions submit final Section II strategies to OCFO by end-of-the fiscal year | September 30 |
| Task 5: -- regions complete Regional Plans and submit to OCFO by the end-of-year | December 31, 2003 |